

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: **CECCHI GORI PICTURES**

Case No. 16-53499

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 02/28/17

PETITION DATE: 12/14/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	TBD	TBD	
b. Total Assets	TBD	TBD	TBD
c. Current Liabilities	TBD	TBD	
d. Total Liabilities	TBD	TBD	TBD
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$20,000	\$0	\$20,000
b. Total Disbursements	\$22	\$0	\$22
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$19,978	\$0	\$19,978
d. Cash Balance Beginning of Month	\$0	\$0	\$0
e. Cash Balance End of Month (c + d)	\$19,978	\$0	\$19,978
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	(\$81,788)	(\$108,381)	(\$224,494)
5. Account Receivables (Pre and Post Petition)	\$0	N/A	
6. Post-Petition Liabilities	(\$224,494)	(\$142,706)	
7. Past Due Post-Petition Account Payables (over 30 days)	(\$2,325)	(\$2,325)	

At the end of this reporting month:

	<u>Yes</u>	<u>No</u>
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
10. If the answer is yes to 8 or 9, were all such payments approved by the court?	N/A	N/A
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		X
12. Is the estate insured for replacement cost of assets and for general liability?		X
13. Are a plan and disclosure statement on file?		X
14. Was there any post-petition borrowing during this reporting period?		X

15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) Q4 2016 payment was made in March. Delay due to lack of monies in estate.

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 03/23/17


Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 02/28/17

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$0	\$0	\$0	Revenues:	\$0	\$0
\$0	\$0	\$0	1 Gross Sales	\$0	\$0
\$0	\$0	\$0	2 less: Sales Returns & Allowances	\$0	\$0
\$0	\$0	\$0	3 Net Sales	\$0	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')	\$0	\$0
\$0	\$0	\$0	5 Gross Profit	\$0	\$0
\$0	\$0	\$0	6 Interest	\$0	\$0
\$0	\$0	\$0	7 Other Income:	\$0	\$0
\$0	\$0	\$0	8	\$0	\$0
\$0	\$0	\$0	9	\$0	\$0
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
\$0	(\$5,000)	\$5,000	Expenses:	\$0	(\$5,000)
\$0	\$0	\$0	11 Compensation to Owner(s)/Officer(s)	\$0	\$0
\$0	\$0	\$0	12 Salaries	\$0	\$0
\$0	\$0	\$0	13 Commissions	\$0	\$0
\$0	(\$5,000)	\$5,000	14 Contract Labor	\$0	(\$5,000)
\$0	\$0	\$0	Rent/Lease:	\$0	\$0
\$0	\$0	\$0	15 Personal Property	\$0	\$0
\$0	\$0	\$0	16 Real Property	\$0	\$0
\$0	\$0	\$0	17 Insurance	\$0	\$0
\$0	\$0	\$0	18 Management Fees	\$0	\$0
\$0	\$0	\$0	19 Depreciation	\$0	\$0
\$0	\$0	\$0	Taxes:	\$0	\$0
\$0	\$0	\$0	20 Employer Payroll Taxes	\$0	\$0
\$0	\$0	\$0	21 Real Property Taxes	\$0	\$0
\$0	\$0	\$0	22 Other Taxes	\$0	\$0
\$0	\$0	\$0	23 Other Selling	\$0	\$0
\$0	\$0	\$0	24 Other Administrative	\$0	\$0
\$0	\$0	\$0	25 Interest	\$0	\$0
\$0	\$0	\$0	26 Other Expenses:	\$0	\$0
\$0	\$0	\$0	27 Public Relations (Press Release)	(\$1,500)	\$0
\$0	\$0	\$0	28 Moving Company	(\$500)	\$0
\$0	\$0	\$0	29	\$0	\$0
\$0	\$0	\$0	30	\$0	\$0
\$0	\$0	\$0	31	\$0	\$0
\$0	\$0	\$0	32	\$0	\$0
\$0	\$0	\$0	33	\$0	\$0
\$0	\$0	\$0	34	\$0	\$0
\$0	(\$10,000)	\$10,000	35 Total Expenses	(\$2,000)	(\$10,000)
\$0	(\$10,000)	\$10,000	36 Subtotal	(\$2,000)	(\$10,000)
(\$81,788)	(\$50,000)	(\$31,788)	Reorganization Items:	(\$222,169)	(\$80,000)
\$0	\$0	\$0	37 Professional Fees	\$0	\$0
\$0	\$0	\$0	38 Provisions for Rejected Executory Contracts	\$0	\$0
\$0	\$0	\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	\$0	\$0
\$0	\$0	\$0	40 Gain or (Loss) from Sale of Equipment	\$0	\$0
\$0	\$0	\$0	41 U.S. Trustee Quarterly Fees	(\$325)	\$0
\$0	\$0	\$0	42	\$0	\$0
(\$81,788)	(\$50,000)	(\$31,788)	43 Total Reorganization Items	(\$222,494)	(\$80,000)
(\$81,788)	(\$60,000)	(\$21,788)	44 Net Profit (Loss) Before Federal & State Taxes	(\$224,494)	(\$90,000)
\$0	\$0	\$0	45 Federal & State Income Taxes	\$0	\$0
(\$81,788)	(\$60,000)	(\$21,788)	46 Net Profit (Loss)	(\$224,494)	(\$90,000)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)

For the Month Ended 02/28/17

Assets

		<u>From Schedules</u>	<u>Market Value</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$19,978
2	Cash and cash equivalents - restricted		\$0
3	Accounts receivable (net)	A	TBD
4	Inventory	B	\$0
5	Prepaid expenses		\$0
6	Professional retainers **		\$34,653
7	Other: _____		\$0
8	_____		\$0
9	Total Current Assets		<u>\$54,631</u>
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	\$0
17	_____	D	\$0
18	_____	D	\$0
19	_____	D	\$0
20	_____	D	\$0
21	Total Property and Equipment		<u>\$0</u>
Other Assets			
22	Loans to shareholders		TBD
23	Loans to affiliates		TBD
24	Litigation Rights (TBD)		TBD
25	_____		
26	_____		
27	_____		
28	Total Other Assets		<u>TBD</u>
29	Total Assets		<u><u>TBD</u></u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

** Sheppard Mullin forwarded \$20,000 from its pre-petition retainer to the Debtor to cover a portion of expenses for Debtor in this time period and future periods. Amount reflected in cash balance.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		\$0
31	Payroll taxes		\$0
32	Real and personal property taxes		\$0
33	Income taxes		\$0
34	Sales taxes		\$0
35	Notes payable (short term)		\$0
36	Accounts payable (trade)	A	(\$2,000)
37	Real property lease arrearage		\$0
38	Personal property lease arrearage		\$0
39	Accrued professional fees		(\$222,169)
40	Current portion of long-term post-petition debt (due within 12 months)		\$0
41	Other: US Trustee Quarterly Fee		(\$325)
42			
43			
44	Total Current Liabilities		(\$224,494)
45	Long-Term Post-Petition Debt, Net of Current Portion		\$0
46	Total Post-Petition Liabilities		(\$224,494)

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	TBD
48	Priority unsecured claims	F	TBD
49	General unsecured claims	F	TBD
50	Total Pre-Petition Liabilities		TBD
51	Total Liabilities		TBD

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		TBD
53	Capital Stock		TBD
54	Additional paid-in capital		TBD
55	Cumulative profit/(loss) since filing of case		TBD
56	Post-petition contributions/(distributions) or (draws)		TBD
57			TBD
58	Market value adjustment		TBD
59	Total Equity (Deficit)		TBD
60	Total Liabilities and Equity (Deficit)		TBD

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings

0 -30 Days
31-60 Days
61-90 Days
91+ Days
Total accounts receivable/payable
Allowance for doubtful accounts
Accounts receivable (net)

<u>Accounts Receivable</u> <u>[Pre and Post Petition]</u>	<u>Accounts Payable</u> <u>[Post Petition]</u>	<u>Past Due</u> <u>Post Petition Debt</u>
TBD	\$0	
TBD	(\$2,325)	
TBD	\$0	(\$2,325)
TBD	\$0	
TBD	(\$2,325) **	
TBD	**Amount paid in March after receipt of initial cash from Sheppard Mullin.	
TBD		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

Retail/Restaurants -
Product for resale

Distribution -
Products for resale

Manufacturer -
Raw Materials
Work-in-progress
Finished goods

Other - Explain

TOTAL

Inventory(ies)
Balance at
End of Month

N/A

N/A

N/A

N/A

N/A

N/A

N/A

Cost of Goods Sold

Inventory Beginning of Month

N/A

Add -

Net purchase

N/A

Direct labor

N/A

Manufacturing overhead

N/A

Freight in

N/A

Other:

N/A

N/A

N/A

Less -

Inventory End of Month

N/A

Shrinkage

N/A

Personal Use

N/A

Cost of Goods Sold

N/A

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____

Monthly _____

Quarterly _____

Semi-annually _____

Annually _____

Date of last physical inventory was

Company has no known
inventory at this time.

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost

LIFO cost

Lower of cost or market

Retail method

Other

Explain

Company has no known inventory at this time.

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
N/A		
Total		

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
N/A		
Total		
Furniture & Fixtures -		
Company may take future possession of		
furniture of de minimus value at storage facilities.		
Total		
Office Equipment -		
N/A		
Total		
Leasehold Improvements -		
N/A		
Total		
Vehicles -		
N/A		
Total		

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
FICA - Employee	\$0	\$0	\$0	\$0	\$0
FICA - Employer	\$0	\$0	\$0	\$0	\$0
Unemployment (FUTA)	\$0	\$0	\$0	\$0	\$0
Income	\$0	\$0	\$0	\$0	\$0
Other (Attach List)	\$0	\$0	\$0	\$0	\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
Unemployment (UT)	\$0	\$0	\$0	\$0	\$0
Disability Insurance (DI)	\$0	\$0	\$0	\$0	\$0
Empl. Training Tax (ETT)	\$0	\$0	\$0	\$0	\$0
Sales	\$0	\$0	\$0	\$0	\$0
Excise	\$0	\$0	\$0	\$0	\$0
Real property	\$0	\$0	\$0	\$0	\$0
Personal property	\$0	\$0	\$0	\$0	\$0
Income	\$0	\$0	\$0	\$0	\$0
Other (Attach List)	\$0	\$0	\$0	\$0	\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -	Claimed Amount	Allowed Amount (b)
Secured claims (a)	TBD	TBD
Priority claims other than taxes	TBD	TBD
Priority tax claims	TBD	TBD
General unsecured claims	TBD	TBD

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	Account 1	Account 2	Account 3	Account 4
Bank	N/A	N/A	N/A	N/A
Account Type	N/A	N/A	N/A	N/A
Account No.	N/A	N/A	N/A	N/A
Account Purpose	N/A	N/A	N/A	N/A
Balance, End of Month	N/A	N/A	N/A	N/A
Total Funds on Hand for all Accounts	N/A			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/17

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$0	\$0
2	Cash Received from Sales	\$0	\$0
3	Interest Received	\$0	\$0
4	Borrowings	\$0	\$0
5	Funds from Shareholders, Partners, or Other Insiders	\$0	\$0
6	Capital Contributions	\$0	\$0
7	** Initial Monies Received from Sheppard Mullin carve-out	\$20,000	\$20,000
8	from their retainer to assist Debtor	\$0	\$0
9		\$0	\$0
10		\$0	\$0
11		\$0	\$0
12	Total Cash Receipts	\$20,000	\$20,000
Cash Disbursements			
13	Payments for Inventory	\$0	\$0
14	Selling	\$0	\$0
15	Administrative	\$0	\$0
16	Capital Expenditures	\$0	\$0
17	Principal Payments on Debt	\$0	\$0
18	Interest Paid	\$0	\$0
	Rent/Lease:		
19	Personal Property	\$0	\$0
20	Real Property	\$0	\$0
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries	\$0	\$0
22	Draws	\$0	\$0
23	Commissions/Royalties	\$0	\$0
24	Expense Reimbursements	\$0	\$0
25	Other	\$0	\$0
26	Salaries/Commissions (less employee withholding)	\$0	\$0
27	Management Fees	\$0	\$0
	Taxes:		
28	Employee Withholding	\$0	\$0
29	Employer Payroll Taxes	\$0	\$0
30	Real Property Taxes	\$0	\$0
31	Other Taxes	\$0	\$0
32	Other Cash Outflows:	\$0	\$0
33	Bank Fees	\$22	\$22
34		\$0	\$0
35		\$0	\$0
36		\$0	\$0
37		\$0	\$0
38	Total Cash Disbursements:	\$22	\$22
39	Net Increase (Decrease) in Cash	\$19,978	\$19,978
40	Cash Balance, Beginning of Period	\$0	\$0
41	Cash Balance, End of Period	\$19,978	\$19,978

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 02/28/17

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$0	\$0
2	Rent/Leases Collected	\$0	\$0
3	Interest Received	\$0	\$0
4	Cash Paid to Suppliers	\$0	\$0
5	Cash Paid for Selling Expenses	\$0	\$0
6	Cash Paid for Administrative Expenses	\$0	\$0
	Cash Paid for Rents/Leases:		
7	Personal Property	\$0	\$0
8	Real Property	\$0	\$0
9	Cash Paid for Interest	\$0	\$0
10	Cash Paid for Net Payroll and Benefits	\$0	\$0
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries	\$0	\$0
12	Draws	\$0	\$0
13	Commissions/Royalties	\$0	\$0
14	Expense Reimbursements	\$0	\$0
15	Other	\$0	\$0
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$0	\$0
17	Employee Withholdings	\$0	\$0
18	Real Property Taxes	\$0	\$0
19	Other Taxes	\$0	\$0
20	Cash Paid for General Expenses	\$0	\$0
21	Bank Fees	(\$22)	(\$22)
22		\$0	\$0
23		\$0	\$0
24		\$0	\$0
25		\$0	\$0
26		\$0	\$0
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$22)	(\$22)
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case	\$0	\$0
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$0	\$0
30	U.S. Trustee Quarterly Fees	\$0	\$0
31	**Initial Monies Received from Sheppard Mullin Retainer	\$20,000	\$20,000
32	Net Cash Provided (Used) by Reorganization Items	\$20,000	\$20,000
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$19,978	\$19,978
Cash Flows From Investing Activities			
34	Capital Expenditures	\$0	\$0
35	Proceeds from Sales of Capital Goods due to Chp 11 Case	\$0	\$0
36		\$0	\$0
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)	\$0	\$0
39	Net Borrowings from Shareholders, Partners, or Other Insiders	\$0	\$0
40	Capital Contributions	\$0	\$0
41	Principal Payments	\$0	\$0
42		\$0	\$0
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$19,978	\$19,978
45	Cash and Cash Equivalents at Beginning of Month	\$0	\$0
46	Cash and Cash Equivalents at End of Month	\$19,978	\$19,978

ACCOUNT STATEMENT

Page 1 of 1
 STARTING DATE: February 09, 2017
 ENDING DATE: February 28, 2017
 Total days in statement period: 20
 7161
 (0)

CECCHI GORI PICTURES
 CHAPTER 11 DEBTOR IN POSSESSION
 CASE # 16-53499
 GENERAL CHECKING
 1100 LA AVENIDA ST
 MOUNTAIN VIEW CA 94043-1452

Set up Direct Deposit and allow your payments to go into your account automatically. Save yourself a trip to the bank and no more waiting for paper checks. Enrolling is easy! Talk to your payer today.

Standard Business Checking

Account number	17161	Beginning balance		\$0.00
Low balance	\$0.00	Total additions	111	20,000.00
Average balance	\$5,997.00	Total subtractions	111	10.00
		Ending balance		\$19,990.00

CREDITS

Number	Date	Transaction Description	Additions
	02-23	Wire Trans IN SHEPARD MULLIN INC HYER	20,000.00

DEBITS

Date	Transaction Description	Subtractions
02-23	Service Charge WIRE TRANS IN	10.00

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-23	19,990.00				

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00



9300 Flair Drive Suite 106
El Monte CA 91731

Direct inquiries to:
888 895-5650

ACCOUNT STATEMENT

Page 1 of 1

STARTING DATE: February 09, 2017

ENDING DATE: February 28, 2017

Total days in statement period: 20

7168
(0)

CECCHI GORI PICTURES
CHAPTER 11 DEBTOR IN POSSESSION
CASE # 16-53499
PAYROLL CHECKING
1100 LA AVENIDA ST
MOUNTAIN VIEW CA 94043-1452

Set up Direct Deposit and allow your payments to go into your account automatically. Save yourself a trip to the bank and no more waiting for paper checks. Enrolling is easy! Talk to your payer today.

Standard Business Checking

Account number	7168	Beginning balance		\$0.00
Low balance	\$0.00	Total additions	(0)	.00
Average balance	\$0.00	Total subtractions	(1)	12.00
		Ending balance		\$-12.00

DEBITS

Date	Transaction Description	Subtractions
02-28	Maintenance Fee	12.00

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-28	-12.00				

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00